Using Business Model Canvas to Enhance Company Sustainability and Innovativeness

Case Study: A Coffee Shop Chain

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ABSTRACT

Increased consumption of goods and resources and problems with the environment has created a need for sustainable business operations. The global food system is responsible for approximately 26% of global greenhouse gas emissions. This study focused on the coffee shop sector which is a massive network all around the world but there isn't much data available for sustainable operations and sustainable business models in this business area.

Business model canvas and sustainable business models can be used as a help to innovate and improve company sustainability. The purpose of this study was to describe sustainability and innovation possibilities in the coffee shop sector from the business model point of view. The aim was to help the coffee shop sector to implement sustainability more comprehensively. Case study was used as a research method and the sample size was one company. The data was collected with semi-structured interviews from the case company, a Finnish coffee shop chain.

The research questions were as following;

1. How is sustainability of a coffee shop sector evaluated from the business model point of view?

2. How innovation practices can promote sustainability in the coffee shop sector?

3. Describe what are the main areas of sustainability in the coffee shop sector?

According to the results of this study business models are not in active use in the coffee shop sector even though they could offer good possibilities to enhance the company operations. Using a business model canvas can help to identify the processes and stakeholders that are supporting and limiting sustainability in a company. Moreover, sustainable innovations in the coffee shop sector can be increased by building a diverse workforce, encouraging employees to innovate, reserving time to try new things, educating employees on innovation and sustainability, and working together with other companies. Lastly, sustainability in the coffee shop sector can be improved thorough five main areas; by taking time for sustainability and putting it into strategic decision making, engaging all employees to sustainability, co-operating with sustainable partners, through sustainable business processes, and by reporting the process.

As the food sector is rather traditional and known for not using innovation actively in its all forms, there is room for more research on how innovation could be implemented better in the business area. What comes to sustainability, there are still companies that haven't considered sustainability in their operations which suggests a need for more education and guidance on sustainability. Moreover, models for individual business areas (e.g. coffee shop sector) on what to consider when it comes to sustainability could help to get the process started.

Keywords: Business model, sustainable business model, coffee shop, café, bakery, food sector, sustainability, sustainable business, and innovation.

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1 INTRODUCTION

Even though the need of better sustainability practices is known by most businesses, many of them are still hesitant to put sustainability into the core of their business strategy. The basic idea of sustainability is to not harm people or the planet while best creating value for stakeholders. There are many ways to define sustainable practices and different sustainable models to follow. (Whelan & Fink 2016) It is often thought that the costs of sustainability actions outweigh the benefits even though there is evidence that suggest that the company can actually gain financial benefits over time (Ferreira 2018; Higgins-Desbiolles et al. 2014; Leonidou et al. 2013; Whelan & Fink 2016).

When companies start to focus more on sustainability or new businesses come to the market with a sustainable focus, the business model can often show us how sustainability is incorporated into the business. Traditional business models have developed further into sustainable business models that consider sustainability in all operations. (CASE 2018; Evans et al. 2017; Koistinen et. al. 2018, 107; Moratis et al. 2018) Many companies have made successful business model changes with sustainability on mind. For example, Philips Lighting, now Signify, is offering lighting-as-a-service and not selling purely light bulbs as before (Frankenberger & Takacs 2021). Tesla on the other hand purchased SolarCity to turn themselves into integrated sustainable energy company and have development, procurement, sales, installation, and service all in-house (Tesla 2016). Smaller changes too, such as changing suppliers or acquiring new customers with updated sustainability values can change the business model and improve the business outcomes (Osterwalder & Pigneur 2010, 8-11).

Increased consumption of goods and resources are connected to environmental sustainability and therefore puts businesses in a central role in supporting sustainable behavior and driving sustainable innovations (Ferreira 2018). The global food system from production and processing to distribution is a key contributor to emissions. The food sector is responsible for approximately 26% of global greenhouse gas emissions. (Ritchie 2019) This study is focusing on the coffee shop and bakery sector. Sustainability in business has been discussed for centuries but there isn't much evidence on how coffee shops and bakeries can improve their sustainability (Ferreira 2018). Coffee is highly popular all over the world and is consumed on worldwide level around 166 million of 60-kilogram bags per year, and the number is rising (Statista 2021). Coffee shops are spread widely and dense-

ly, and each location requires energy to operate and diverse supply chains for different products. The business is also contributing waste, and only disposable coffee cups are generating 16 billion items to waste streams every year. (Meyer 2019) However, the coffee shop industry can improve their sustainability in many ways. In the recent years, there has been innovative business models also in the coffee sector. German Kaffeeform is collecting grounds from coffee shops in Berlin and producing biodegradable cups. A Scottish company has developed a way to extract oil from coffee grounds that can be used as an alternative to palm oil which is linked to deforestation. (Meyer 2019) These examples are showing that the coffee sector can better coexist with its surroundings.

This thesis is written in cooperation with a Finnish coffee shop/bakery. The case company is a family-owned business, consisting of a bakery and a coffee shop chain of 12 coffee shops. The company is located in Southwest of Finland in Turku region. In 2019 the company's turnover was 4,6 million euros and it had 55 employees (Asiakastieto n.d.). The case company participated in the study by giving interviews.

This study is a qualitative case study focusing on the coffee shop and bakery business. The purpose of this study is to describe sustainability and innovation possibilities in the coffee shop sector from the business model point of view. The aim is to help the coffee shop sector to implement sustainability more comprehensively. As the coffee shop sector is so vastly spread network all over the world, it has a vital role in either promoting or lowering sustainability. Since there isn't much evidence how this sector is operating when it comes to sustainability, making a case study gives frontline opportunity to see how these factors are taken into consideration in real life.

This paper is first going through the theory of sustainability and sustainable food sector with a focus on coffee shop sector. The other part of the theory focuses on innovation and sustainable and innovative business models. Next, the purpose and aim of the study and research questions are presented. The paper then continues to method part, following data, results, discussion, and conclusions.

2 THEORY SECTION

2.1 Defining Sustainability

Sustainability is often explained by the World Commission's report's Our Common Future words; "Humanity has the ability to make development sustainable to ensure that it meets the needs of the present without compromising the ability of future generations to meet their own needs" (World Commission 1987). Sustainability essentially means the survival of an ecological system, like a forest, but is used nowadays to also refer survivability of both business and society (Jørgensen and Pedersen 2018, 40). The Stockholm Resilience Center has developed a framework that presents nine planetary boundaries that are under pressure and which we should respect if we want to avoid major human-induced environmental change on a global scale. The nine boundaries are stratospheric ozone depletion, loss of biosphere integrity, chemical pollution and the release of novel entities, climate change, ocean acidification, freshwater consumption and the global hydrological cycle, land system change, nitrogen and phosphorus flows to the biosphere and oceans, and atmospheric aerosol loading. (Rockström et al. 2009).

Sustainability in business can focus on a variety of aspects. Corporate social responsibility (CSR) is one of the oldest frameworks in sustainability and is connected to effects to the environment, consequences to the society or corporate behavior, and to economic wealth. The focus can be in the corporations' actions as a whole or the actions of an individual. (Crowther & Rayman-Bacchus 2016, 1-2) Sometimes CSR is seen as a charity, the company should donate to less fortunate or accept lower revenue. However, it is also proposed that CSR can be done while aiming for increasing the profit of the firm. Creating shared value by investing in value creation for staff, stakeholders, society, and the environment will increase long-term returns to shareholders. (Wall 2017, 4-5) Nevertheless, CRS has been accused of being only greenwash method to shine the brand for many companies as it is voluntary. New limits and rules for companies' accomplishments and communication might be in place. (Gatti et al. 2019)

Another way to approach sustainability in the business environment is to calculate the company carbon footprint. This is done by estimating the carbon footprint, a measure of emission of green-house and carbon dioxide gases contributing to global warming. (Svensson & Wagner 2015) Companies can also approach sustainability with circular economy (CE) approach, which refers using materials more than one product lifecycle.

CE requires a mind change from take-make-use-dispose linear value chain to take-make-use-recover circular value chain. In addition, firms can try to find the weak spots of the product and make it last longer in the first place. (Frankenberger & Takacs 2021)

Moratis, Melissen and Idowu (2018) started their book Sustainable Business Models: Principles, Promise, and Practice with forewords; "The debate and study about business for a better world should not be about the name. CSR, sustainability, sustainable business models, CSR 2.0 to CSR 5.0 and shared value- the packaging does not matter too much. What matters is how business can grow and strive by contributing to a sustainable and inclusive society."

2.2   Sustainability in a Food Sector – Coffee Shop and Bakery Business

Research on environmental management in the hospitality and tourism sector has increased during the last decade. Many areas in hospitality and tourism sector can implement sustainability practices such as corporate strategy, competitive business strategy, functional strategy, green marketing, responsible supply chain, and training. (Aragon-Correa et al. 2015) When changing the company course to more sustainable, it is important that sustainability is a core value to make it work. Management considerations form the base of sustainability and therefore engaging management to sustainability related factors is important. (Higgins-Desbiolles et.al. 2014) There is evidence that many companies have taken sustainable actions but at the same time lack management engagement (Moratis et. al. 2018). Another crucial step in becoming more sustainable is to involve all stakeholders to the cause. Inside the company, sustainable culture can be delivered to the whole company through policies, principles, norms, and values. (Svensson & Wagner 2015) In addition to company itself, all direct and indirect business partners outside the company should be involved and engaged (Moratis et. al. 2018; Svensson & Wagner 2015). Business sustainability takes time to mature and pay off, therefore consistency and long-term perspective are needed (Svensson & Wagner 2015).

Sustainability in the coffee shop sector can be embedded in all aspects of the business. Starting from finding a place for the coffee shop to the waste treatment. The building or the renovating phase should consider energy use in terms of e.g. material choices, window placement, adjustable shade screens, and energy-efficient lighting. When it comes to furniture and kitchen ware, recycled products and making reparation a primary option over buying a new one improves sustainability. (Higgins-Desbiolles et.al. 2014). The whole

production system can be planned in a way that aims to reduce raw material waste, fossil fuel use, and recycle energy and water (Svensson & Wagner 2015). Taking care of the coffee shops and having no chemicals protocol and selecting e.g. non-chemical cleaning products promote sustainability as well (Cummings 2009).

The food offered in coffee shops comprises a big part of the sustainability of the business (Cummings 2009; Higgins-Desbiolles et.al. 2014; McColl 2016). It is not always easy to evaluate which is the best and the worst solution when it comes to food and the environment. When thinking of a cup of coffee and its environmental impact, many doesn't think of the milk. For a coffee with a few tablespoons of milk, the milk represents 60 to 70 percent of the carbon footprint of the cup. For a latte, the figures are more like to 80 or 90 percent. (McColl 2016) When it comes to meat consumption, vegetarian options on the menu promotes environmental values as meat production requires e.g. intensive land use and heavy water use. Other aspects of sustainable food are using local and seasonal products and using what is available that day. The coffee shop can have no menu policy which means that the chef cooks from the ingredients that are available that day. This can help to reduce food waste considerable. (Higgins-Desbiolles et.al. 2014) Moreover, preferring organic products reduces the use of chemicals in the food production (Cummings 2009).

Coffee shops can work together with other businesses to promote better choices in a larger setting. Maybe the coffee sector can't give up e.g. milk all together but can decide to buy it from sources that are for instance promoting carbon farming where compost is used to capture carbon (McColl 2016) or to favor local options and reduce transport distances (Cummings 2009). Sustainability is often linked to the idea that changing involves suffering and the change is pushed through guilt. Higgins-Desbiolles et.al. 2014 argues in their article that sustainable food can be better and more enjoyable, and moreover, food is an easy way to open people's mind to other sustainability issues. Sustainability in the coffee shop sector can include holistic sustainability where creativity and innovation can be offered through experiences, events, and activities and this way increase value in the community. It has been suggested that coffee shops can help to create more sustainable communities by e.g. fostering an external eco-market, creating sustainability events, being apart of community activism and political advocacy, and by teaching alternative values to customers. (Higgins-Desbiolles et.al. 2014)

When it comes to sustainability, the cost is often the biggest question mark for business owners even though it has been showed that sustainable focus can lead to cost reduction (Svensson & Wagner 2015). Higgins-Desbiolles et.al. (2014) researched a sustainable coffee shop in their study and the owner reflected his work as "showing a movement from affordable sustainability to profitable sustainability". The owner made clear targets that fitted to their budget, kept to them and after breakeven point was able to start enjoying the benefits of the sustainable choices. The financial savings can come e.g. from energy savings, process efficiency, and using recyclable materials (Leonidou et. al. 2013). Moreover, by differentiating on the market and having a major marketing advantage draws more customers (Higgins-Desbiolles et.al. 2014). It has been researched in the restaurant genre that environmentally friendly marketing strategy can be advantageous in getting competitive advantage and thereby gain better financial performance. The advantage is likely to be stronger for businesses operating in highly competitive environments because of the differentiation benefit. (Leonidou et al. 2013) Furthermore, it has been researched that green credentials are one of the most important determinants for customers to choose a restaurant (Hsin-Hui et. al. 2010).

Sustainability is at times being used with a wrong focus. In stead of focusing to create more value to all stakeholders, sustainability is being used to polish the company image. Guy Pearse criticised Starbucks' sustainability efforts in his book "Greenwash: Big brands and Carbon Scams". The coffee company has advertised to be apart of Shared Planet campaign and work together with farmers to grow coffee more sustainably, reduce its energy use with green stores, and buy a large amount of its energy from renewable sources. Pearse argues that Starbucks is hiding its total carbon emissions that is rising each year and not taking responsibility for its supply chain emissions. For example, the company doesn't count agricultural inputs such as coffee, cocoa, dairy, packaging, emissions from all modes of transport of inbound raw materials and goods, and outbound to stores, and waste to landfill as its own emissions. It is problematic as many farmers, coffee wholesalers, and freight companies don't publish emissions data at all. (Pearse 2012).

2.3 Defining Innovation

Innovation possibilities can help companies to turn into sustainable companies. Innovation means inventing new and better ways of doing things and trying them in practice. Usually this process is long and not predictable and therefore, there is not a clear model for suc-

cessful innovations. However, there are some models that follow common innovation designs and processes. First, innovation can be separated into phases that it usually follows. Tidd and Bessant (2014) has divided innovation process in four key phases. First phase is searching, where an effective search process is started to find new possibilities for the organisation. Next step is to select the best possible idea to grow and develop the company. The selection needs to be strategic, considering the company's previous strengths and weaknesses and thinking what the best scenario for the future would be. The third phase is implementing, where the idea is tried out in real life. This is the only way to find out whether the new idea works. The last phase is capturing value where it is evaluated whether the new idea was successful and should be continued. Furthermore, it should be evaluated whether there is something to improve or has the change been positive in the first place. (Tidd & Bessant 2014, p. 22) However, it is also argued that innovation doesn't always follow a linear model and doesn't necessarily need science to start with. Innovations have in many cases stemmed purely from the experience rather than science and searching for new ways. Moreover, there can be many feedbacks and loops in between the linear model of innovation. (Fagerberg 2005, pp.8-9)

Innovations can be divided also according to types. Different innovation types are e.g. new products, new methods of production, new sources of supply, exploitation of new markets, and new ways to organise business. The field of economics mostly focus on new products and new methods of production also known as product and process innovation. Innovations can further be classified based on how radical they are compared to current solutions (Figure 1). Continuous, small improvements on existing products or services are called incremental innovations and totally new ideas or revolutions are called radical innovations. Although, it has been argued that radical innovations are actually a series of incremental innovations. (Fagerberg 2005, pp.1-8) Sustaining innovations make improvements to products that can be incremental advances or major breakthroughs and enable companies to sell more products for their most profitable customers. Examples of these improvements could be the fifth blade in a razor, clearer TV picture, or better mobile phone reception. Disruptive innovation refers to a process where a smaller company with less resources succeeds to challenge established incumbent businesses. The disruption starts by serving the segments that the incumbent ignores. When successfully targeting these overlooked segments and offering better functionality, many times with lower price, the disruption starts. Normally the incumbents don't react since they focus to serve their

more demanding segments. However, if the entrants are able to move upmarket, they might be able to also attract the mainstream customers and then disruption has occurred. It is important to understand that different types of innovations require different strategic approaches. And moreover, it is important to identify true disruptive innovations and understand the disruption theory in order to make successful strategic decisions. (Christensen, Raynor, & McDonald 2015)
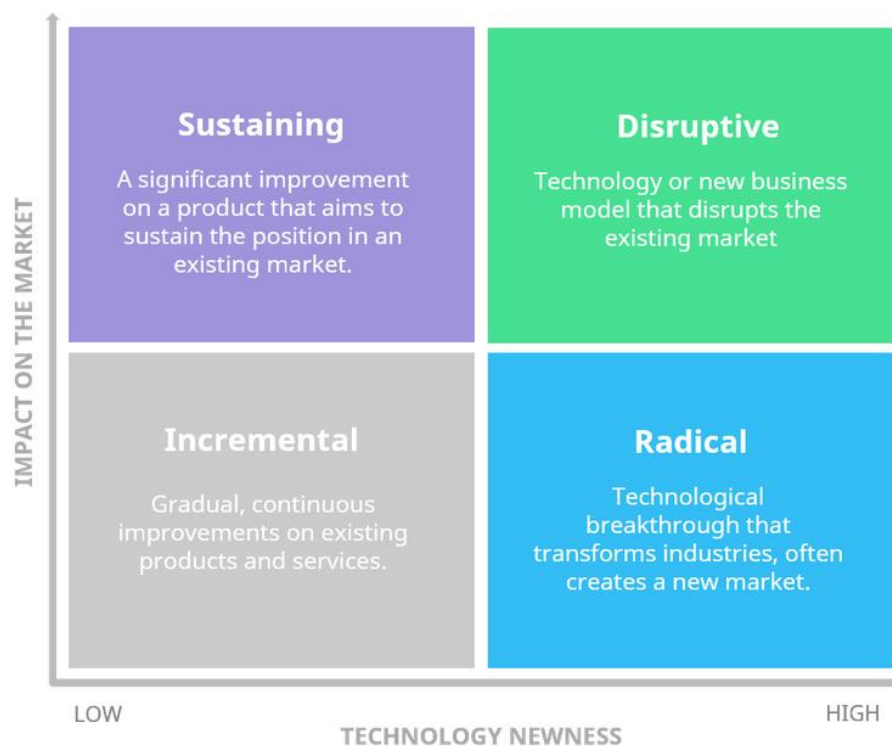
Figure 1. Types of Innovations (Kylliäinen 2019)

Openness to new ideas and solutions is seen essential for innovation. It is said that new innovation consists of new combination of existing ideas, capabilities, skills, and resources and the bigger the variety of these are in a company, the better are the innovations generated. (Fagerberg 2005, p. 10)

2.4   Innovation in a Service Sector and its Relation to Sustainability

Innovations in services usually have different characteristics than innovations in manufacturing industry. Innovations in services tend to be non-technological and rather focus on small and incremental changes in processes and procedures. Therefore, service firms have been investing less than manufacturing firms in R&D, patents, and licenses. Innovation in services has been divided in four dimensions; new service concept, new client interface,

new service delivery system, and technological options. It is suggested that service innovations always involve all of these four dimensions in some combination. (de Jong et. al. 2003)

Important factor for innovations to flourish and actually be used in companies is management. The management of innovation is widely researched subject. Adams et al. (2006) made a framework (Table 1) to illustrate the measurements of innovation management to be used as a tool for manager to plan and evaluate their innovation activities. The framework helps to understand areas related to innovation and make sure resources are allocated correctly.

Table 1. Innovation Management Measurement Areas (Adams et al. 2006)

Framework category	Measurement areas
Inputs	People
	Physical and financial resources
	Tools
Knowledge management	Idea generation
	Knowledge repository
	Information flows
Innovation strategy	Strategic orientation
	Strategic leadership
Organization and culture	Culture
	Structure
Portfolio management	Risk/return balance
	Optimization tool use
Project management	Project efficiency
	Tools
	Communications
	Collaboration
Commercialization	Market research
	Market testing
	Marketing and sales

Innovative mindset is an asset and has proved to bring also better sustainable practices to the industry (Arcese et. al. 2015). One possibility for companies to become more sustainable is to follow the sustainability standards. However, if one wants to be the sector leader, it is required to look well beyond current sustainable legislative requirements and take an innovative focus. (Svensson & Wagner 2015) The food sector is rather traditional, mature industry and it changes slow (Arcese et. al. 2015). When it comes to innovation, the food sector is more focused on incremental innovation than radical innovation. Innovation is commonly focusing on product and process innovation, rather than packaging, position, or paradigm innovations. For example, when it comes to positioning, companies are interested in position innovation but are not committed to invest in marketing. Moreover, companies in the food sector are not likely to partner with others and form strategic alliances even though collaboration is important for innovations. (Baregheh et al. 2012) Valdes et al. (2020) identified obstacles for

innovation in the food sector and they were: cost-based, knowledge-related, market problems, lack of necessity for innovations, and regulatory obstacles. Practices that enhance innovation in the food sector on the other hand include taking in consideration changing customer needs (Arcese et. al. 2015), being aware of what happens in the market, encouraging new ideas, and supporting innovative employees (Baregheh et al. 2012).

Open innovation is one possibility to develop sustainable practices further and there are example firms that have used this advantage successfully. Arcese et al. (2015) defined the concept of open sustainability innovation where innovation practices merge with sustainability concept. Open innovation strategies can be e.g. co-creation with customers such as crowdsourcing campaigns, crowdfunding to start production, or building strategic partnerships. (Arcese et al. 2015) Ramírez-Portilla et al. (2016) researched open innovation in the food and beverage industry (Table 2).

Table 2. Open Innovation Actors, Trends, and Approaches in the Food Sector (Ramírez-Portilla et al. 2016)

Variables	Categories	Codes
Innovation Actors	Nature of actors	Private, Public, For profit, and Non-for-profit
	Quadruple helix actors	Large firm, SME, University, Government, and Users / citizens
	More specific actors	Clients, Customers, Suppliers, Competitors, Innovation intermediaries, Communities Start-ups, Research centres, and Firms in other industries
Relevant Trends to F&B industry	Food Trends	Food packaging, Food production, Food services, Food technology, and Food healthiness and wellness
	Other trends	Digitalisation, Globalization, Urbanisation, Big and open data, Automation and robots, Manufacturing technology, Energy and the environment, and Smart cities
Open Innovation notions	Approaches	Co-creation, Crowdfunding, Crowdsourcing, Innovation contests, Living Labs, Online market places, Open source development, Open Licenses, Toolkits, co-opetition, and collaborative R&D networks
	Practices	Buying external R&D services, Buying external knowledge e.g. patents or licenses, Acquiring advanced machinery, equipment or software to produce new products, Performing trend and technology scouting, Buying technical or scientific services, Training personnel externally, Commercializing technology developed or improved inside the firm, Selling intellectual property (IP) such as patents, copyrights or trademarks, Offering royalty agreements to other firms, Selling innovation projects developed inside the firm, Creating spin-off firms, Selling technical or scientific services.

They focused on how other actors than large firms have adopted open innovation ideas. The results showed that small and medium-sized organisations, foundations, communities, and consumers proposed and drove lasting open innovation iniatives. The study used a framework they created that listed innovation actors, relevant trends, and open innovation approaches. (Ramírez-Portilla et al. 2016) Companies capacity to innovate is connected to many factors related to their own internal organisation and to the external market environment. Companies tend to focus innovative measures into output possibilities rather than implement innovation into routine management practice. This suggests that there is a lot of innovation potential unused in companies. (Adams et. al. 2006)

2.5   Business Model

Before moving into sustainable business models, a classical business model is introduced to remind us on its contents and give examples how it could be formed in the coffee shop sector. "A business model describes the rationale of how an organisation creates, delivers, and captures value". When using business models, either aiming to develop one or modify an existing one, it is crucial that everyone in the group of working with it has the same idea of what is a business model. Without shared understanding it is hard to systematically challenge assumptions and innovate. Osterwalder & Pigneur (2010) has developed a business model canvas (Figure 2) that can be used as a tool to build the business model of a company. It uses nine blocks to cover four main areas of a business; customers, offer, infrastructure, and financial viability. The blocks are customer segments, value propositions, channels, revenue streams, key resources, key activities, key partnerships, and cost structure. Business model canvas is a model to be used to systematically invent, design, and implement powerful new business models. It helps to turn visionary ideas into game-changing business models that challenge the norm. Alternatively, it can be used to innovate existing business models to better fit the needs of current user needs. (Osterwalder & Pigneur 2010, 11-21)
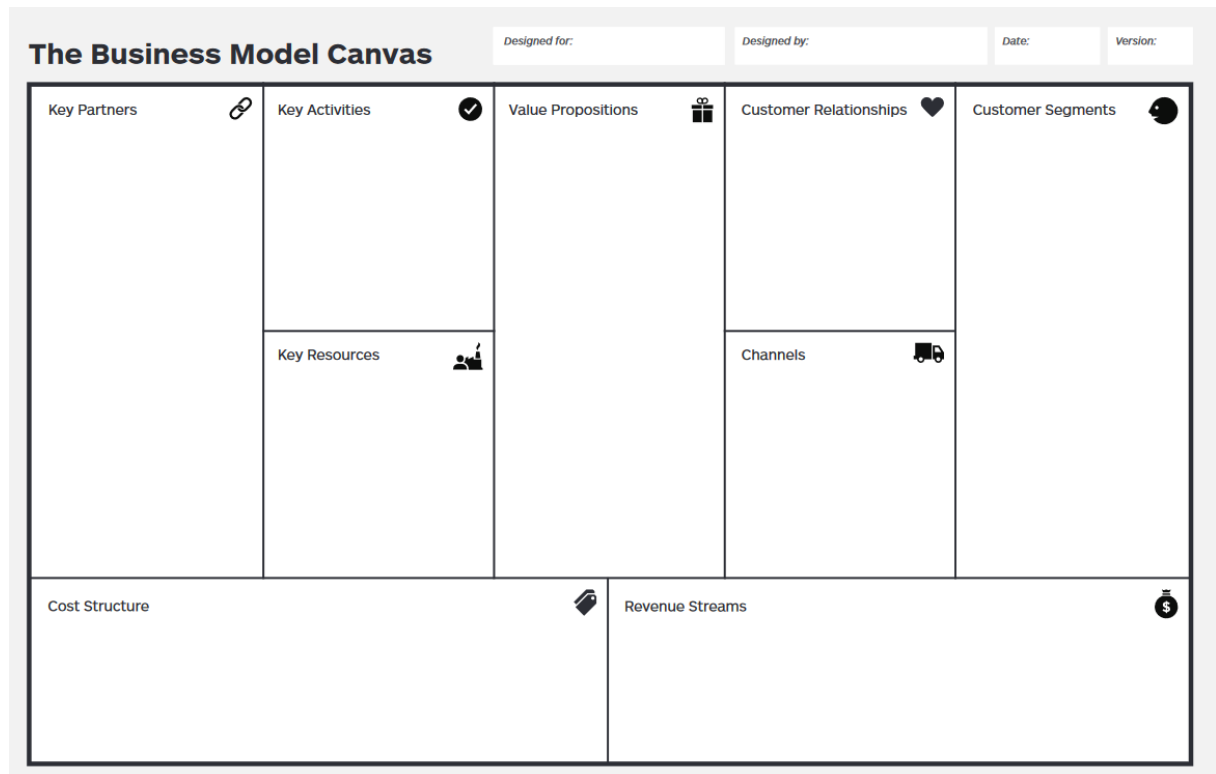
The Business Model Canvas

Key Partners	Key Activities	Value Propositions	Customer Relationships	Customer Segments
	Key Resources		Channels	

Cost Structure	Revenue Streams

Figure 2. Business Model Canvas (Strategyzer 2020)

Value Propositions

Value proposition describes the products and services that create value for a specific customer segment. Value propositions makes customers choose between companies. They solve a problem or satisfy a customer need. The value created can be quantitative (e.g. price, speed, service) or qualitative (e.g. design, customer experience). Examples of value creation can be newness, better performance, customisation, brand and status, risk reduction, accessibility, and convenience. (Osterwalder & Pigneur 2010, 26-47) Value propositions in the coffee sector could focus on quality local coffee brew, customer interaction with the barista and coffee education, coffee appliance, merchandise, and snacks, the uniqueness of the place and comfortable atmosphere (Rahardjo et al. 2019).

Customer Segments

The customer segments building block defines the groups of people or organisations the company tries to reach and serve. A company cannot survive without profitable customers which makes this block a central one. The customers can be grouped into segments with common needs, behaviours, or other attributes. The company needs to decide which seg-

ments to target and which to ignore. (Osterwalder & Pigneur 2010, 26-47) For the coffee and bakery sector, customer segments could be divided e.g. to coffee lovers and travelers (Rahardjo et al. 2019).

Customer Relationships

Customer relationships describes the types of relationships the company develops with specific customer segments. The company should make clear what kind of relationships it wants to have with each of its customer segments. Relationships can be personal or automated or something in between like communities and co-creation with users. (Osterwalder & Pigneur 2010, 26-47) Customer relationships in the coffee shop business could be taking care of through personal service and social media (Rahardjo et al. 2019).

Channels

Channels describe how a company communicates with its customers. There are direct channels (sales force, web sales) and indirect channels (own and partner stores, wholesaler). These can be divided also in own channels (sales force, web sales, own stores) and partner channels (partner stores, wholesaler). The company needs to evaluate which channel or combination of different channels works best with its customer segment(s). Partner channels have lower margins but enable the company to reach bigger customer base and benefit from partnering with others. Owned channels, especially direct ones have higher margins but in addition takes more effort and financials to put in place. (Osterwalder & Pigneur 2010, 26-47) Coffee shops channels could be direct sales force and online possibilities as well as partnering with local businesses to broaden distribution e.g. with bookstores (Rahardjo et al. 2019).

Key Partners

Key partnerships form the network of suppliers and partners that make the business model work. Companies can form alliances to optimise their business model, reduce risk, and get resources. Partnerships can be strategic alliances between non-competitors, strategic partnerships between competitors, joint ventures to develop new businesses or buyer-supplier relationships to assure reliable supplies. The motivation behind establishing partnerships can be optimisation and economy of scale to allocate resources and activities, reduction of risk and uncertainty and acquisition of certain resources and activities. (Osterwalder &

Pigneur 2010, 26-47) Key partnerships for coffee shops could be with coffee farmers, food suppliers, and collaboration companies (Rahardjo et al. 2019).

Key Activities

Key activities are the most important tasks for the company to make the business model work. Key activities differ according to business model types. Key activities can be divided into production related activities (manufacturing firms), to problem solving (service orientated businesses) and to platform/network (eBay, Visa, Microsoft). (Osterwalder & Pigneur 2010, 26-47) Key activities for a coffee shop could be suppling and roasting coffee beans, service, marketing, and training (Rahardjo et al. 2019).

Key Resources

Key resources describe the most important assets for the company to make the business model work. They enable the company to create and offer value proposition, reach markets, maintain customer relationships, and earn revenues. Key resources can be physical, financial, intellectual, or human and they can be owned or leased by the company or acquired from key partners. (Osterwalder & Pigneur 2010, 26-47) Key resources for a coffee shops could be building, equipment, human resources, raw materials, suppliers, financial resources, and brand (Rahardjo et al. 2019).

Cost Structure

Cost structure describes all costs incurred to operate a business model. This includes costs from creating and delivering value, maintaining customers, and generating revenue which can be calculated after defining key resources, key activities, and key partnerships. Different business models have different cost structures. These can be roughly divided into cost-driven and value-driven business models. Cost-structures can have following characteristics; fixed costs, variable costs, economies of scale, and economies of scope. (Osterwalder & Pigneur 2010, 26-47) Cost structure for coffee shops could consist of purchase of raw materials, operating costs, salaries, and marketing costs (Rahardjo et al. 2019).

Revenue Streams

Revenue streams shows the cash the company generates from each customer segment. The company should think for what value is each customer segment willing to pay. The company can have several revenue streams from different customer segments and they each

can have different pricing mechanisms. Revenue streams can be created e.g. through asset sale, usage fee, subscription fees, lending, renting, leasing, licensing, brokerage fees, and advertising. Pricing mechanism can be fixed or dynamic. (Osterwalder & Pigneur 2010, 26-47) Revenue streams in coffee shops could consist of sales of coffee, coffee beans, equipment, merchandise, snacks, and training. (Rahardjo et al. 2019).

2.6 Sustainable Business Model and Business Model Innovation

The concepts "business model", "business model innovation", and "sustainable business model", are still lacking theoretical grounding and consistency (Evans et. al 2017). Even though sustainability aspects have been discussed in business for decades, companies have been slow to create sustainable business models (SBM). It can be that the ultimate push might be needed from wider system level changes e.g. changes in regulatory frameworks or industry level policies before sustainability is incorporated to all businesses (Koistinen et. al. 2018, 106-107). This chapter is introducing different ways to establish a SBM. It will go through examples from different sources how SBMs could be formed.

SBM could be described as a model that aims to encompass economic, environmental, and social aspects while considering the needs of all stakeholders, not just shareholders' needs, and aligning the interests of all stakeholders. (Evans et. al 2017, CASE 2018) SBM aims to maximise the positive impacts on society and nature and minimise the negative impacts. Sustainability is put into the core of the business. (CASE 2018) Moratis et. al. (2018) states that a business model is sustainable when the process of value creation is in itself sustainable, and it creates sustainable outcomes. When creating a SBM it is needed to look further from the company business model. What forces and barriers for sustainability are outside the company? Changes on system and industry level needs cooperation with others and cannot be done inside one company. (Koistinen et. al. 2018, 107) Business model innovation on the other hand refers to major changes in business models that has good potential for new value propositions and value creation mechanisms (Koistinen et. al. 2018, 111). Business model innovation has showed to be a useful tool in enhancing the sustainability of a company. (Evans et. al 2017) Also, the other way around, it has been found out that sustainable practices e.g. CSR has a positive effect on business model innovation (Hu et. al. 2020).

There are different tools to establish a SBM. Jørgensen and Pedersen (2018) encourage to look on the positive and negative externalities of the company and evaluate where one is casting shadows and where shedding light (Figure 3).
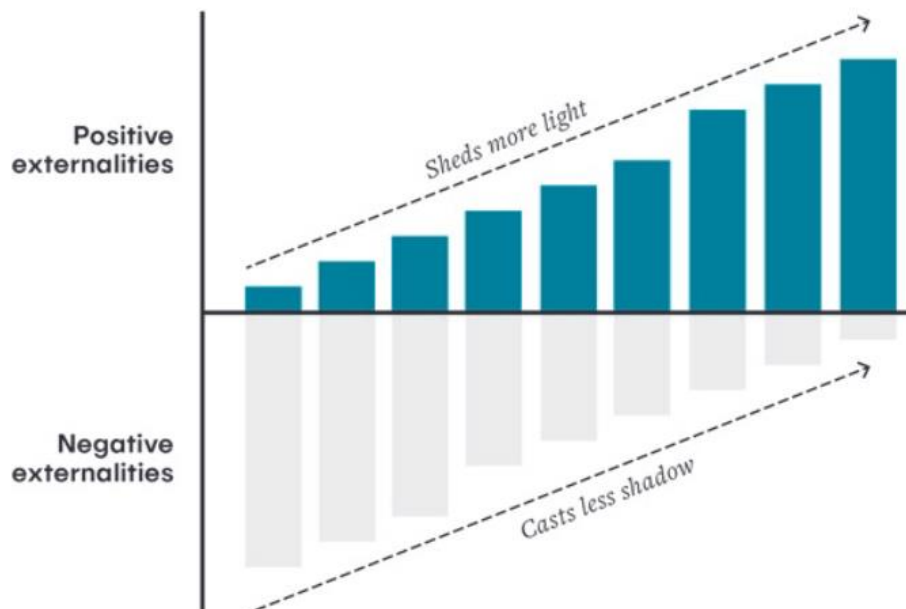

Figure 3. The Net Effect of Sustainability Efforts (Jørgensen and Pedersen 2018)

The figure 3 is showing bars that depict the company's sunny and shadowy sides. Companies with a large shadow and small sunny bar would be placed in the left of the diagram. The dotted lines illustrate desirable movements for companies. It could be thought that the shadow side is improving towards zero footprint to the right, but the sunny side could be endless. A company can endlessly improve negative externalities, if not their own, then someone else's. Companies can impact how much they cast shadows and shed light with their business model design. For example, Interface had a goal of having a zero footprint by 2020. To be able to change the course of a company, the business model needs reorganising. (Jørgensen and Pedersen 2018, 32-33)

Barth et. al (2017) created a conceptual framework (Table 3) of sustainable business model innovation in the agri-food sector and suggest that sustainability aspects should be included in all building blocks of the business model.

Table 3. A Conceptual Framework for Sustainable Business Model Innovation (Barth et. al. 2017)

Building Blocks	Description	Degree of Innovation	Sustainability
Value proposition	Product/Service, customer segments, and relationships	Offers 'more of the same' or something new to the firm/world? Existing markets or new markets?	Do the product/service, customer segments, and relationships enhance sustainability? For example, traceability for products and standards for safety and quality?
Value creation and delivery	Key activities, resources, channels, partners, and technologies	Improvements of existing channels or new relationships? Familiar (fixed) networks or new (dynamic) networks (e.g., alliances, joint ventures)? Improvements of existing technologies or new, emerging technologies?	Do key activities, resources, channels, partners, and technologies focus on sustainability aspects? Awareness of food-related ethics? Ethical consumption? For example, ecological sustainability, social justice, and animal welfare.
Value capture	Cost structure and revenue streams	Incremental cost cutting in existing processes or new processes that generate revenues?	Do cost structures and revenue streams include sustainability considerations? For example, sustainable food systems based on environmental, social, and economic aspects.
Value intention	Mind-set of owner-manager	Attitudes to change and innovation	Is sustainability a means, a goal, or something else? Is sustainability enhancing or limiting the BM?

Evans et. al (2017) has develop five propositions that lay the foundational concepts for innovation towards SBMs (Table 4).

Table 4. Unified Perspective for Innovation Towards SBMs (Evans et. al. 2017)

P1	Sustainable value incorporates economic, social and environmental benefits conceptualized as value forms.
P2	SBMs require a system of sustainable value flows among multiple stakeholders including the natural environment and society as primary stakeholders.
P3	SBMs require a value network with a new purpose, design and governance.
P4	SBMs require a systemic consideration of stakeholder interests and responsibilities for mutual value creation.
P5	Internalizing externalities through PSS enables innovation towards SBMs.

Jørgensen and Pedersen (2018) have created a roadmap to restart (Figure 4) which comprises of seven components, each representing a characteristic of a more sustainable business model. The roadmap builds around the word RESTART and each letter of the acronym are associated with the seven components.
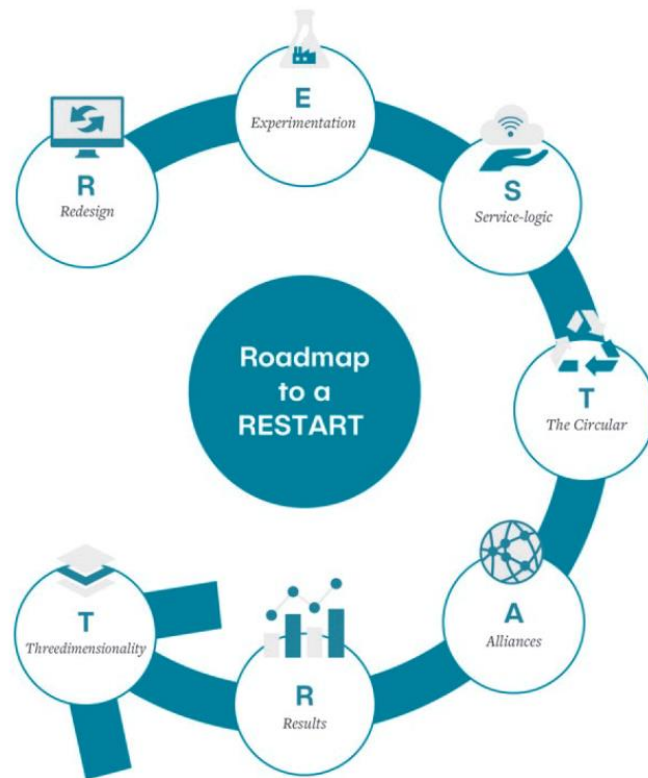
Figure 4. A Roadmap to RESTART (Jørgensen and Pedersen 2018, 52)

The first component is **redesigning** of current business models. This includes thinking and changing how companies create, deliver, and capture value and how it could be done in a way that reduces the negative externalities on society and increases the positive. The second component is **experimentation**. Changing a business model is risky, the change should be done with an experimental mindset and see what works and what doesn't. The third component is **service-logic**. Resources can be used more efficiently if ownership over products is replaced with service-logic. Waste and pollution can be reduced if customers start sharing resources rather than owning everything themselves.

The fourth component is **the circular economy**. The circular economy means moving away from the linear model of taking-using-disposing and moving towards reusing, resource efficiency, and closed loops. The fifth component is **alliances**. To be able to change the system, it is not enough to review the business of the individual company. Collaboration is needed with wider community to make big changes. Companies can for alliances and resolve problems together. The sixth component is **results**. To gain sustainable results, it is necessary to do what is right, not what looks good. Companies should deliver results and make sustainability improvements that really make a difference. The seventh

component is **three-dimensionality**. To better sustainability requires teamwork from all. Sustainable business model involves all aspects from social, environmental, and financial performance. Three-dimensionality means moving from one-dimensional model of financial performance to three-dimensionality, redesigning the whole organisation. (Jørgensen and Pedersen 2018, 49-52)

Sustainable business model canvas (Figure 5) is moderated from the classical business model canvas. Business model canvas is a good tool to find the most relevant parts of the business model and aim to business model innovation. However, the classic business model canvas does not have aspects of sustainability impact of the product or business in question. The sustainable business model canvas offers a tool to think all aspects of holistic business model design (economical, environmental, and sociocultural). The sustainability is considered from the beginning, making it easier to maximise the sustainability impact and generate more innovative business models and products. (Gerlach n.d.)

Figure 5. The Sustainable Business Model Canvas (Threebility, 2020)

As mentioned in the introduction, there are some companies in the coffee sector that have made innovative business model changes towards circular economy possibilities. Van Keulen & Kirchherr (2021) researched the coffee sector's supply chain and its sector specific understanding of barriers and enablers. The case company, Amsterdam based speciality coffee importer, did a business model experimentation in the producing and consuming side of the value chain. The company had three iniatives; to create a system of used cardboard systems in transport instead of virgin boxes, to find and apply alternative uses to coffee sludge instead of disposal, and to connect the minimisation of disposable cups and invest in sustainable iniatives on coffee plantations. The study concluded that the major barriers for changes were coherence in governmental policies, "silo thinking" of industries, and standardisation of circular design. Enablers were common awareness, vision, and designing solid business models. Moreover, the focal company was seen to have a major role bringing all stakeholders together that wouldn't interact otherwise and motivate them to do the extra work for CE solutions. (van Keulen & Kirchherr 2021)

As business models are used to ultimately create value, a central question is how to assess the impact and value creation potential of sustainable business models. This needs careful planning as there are increasing scope of measurement options and some still under development or hard to understand, moreover sustainability measurements should extend beyond the company itself. (Evans et. al. 2017) Moreover, sustainability efforts should be reported openly. Reputation is important to companies and sustainability efforts can impact stakeholders' opinions of the company positively or negatively. (Svensson & Wagner 2015)

2.7   Coffee Shop Sector in Finland

Investing in coffee is a good business in Finland. Finnish people drink the most coffee in the world per capita. The national average is around 12 kilograms per person per year. The coffee culture in Finland means having coffee every day, many times a day. Coffee is served at most occasions. (WorldAtlas 2020) In the recent years big coffee chains has taken most of the Finnish coffee shop marketplace. In 2018, Finnish chain Robert's Coffee had the most coffee shops with 38 shops. International Espresso House entered Finnish market in 2015 and already in 2018 had the second most shops in the country with 28 shops. The competition is hard and certain uniqueness is needed to draw the customers' attention. (Helsingin Sanomat 2018)

3   AIM OF THE STUDY AND RESEARCH QUESTIONS

So far, we have seen that the coffee shop sector hasn't adopted innovation and sustainable possibilities fully, even though it might offer them advantages in the market and many long-term benefits. This study will explore whether business model approach is suitable in the coffee shop sector when the goal is to enhance innovativeness and sustainability. The purpose of this study is to describe sustainability and innovation possibilities in the coffee shop sector from the business model point of view. The aim is to help the coffee shop sector to implement sustainability more comprehensively.

The research questions are as following;

1. How is sustainability of a coffee shop sector evaluated from the business model point of view?

2. How innovation practices can promote sustainability in the coffee shop sector?

3. Describe what are the main areas of sustainability in the coffee shop sector.

4 METHOD AND DATA

4.1 Case Study

A case study is an empirical method that aims to understand a real-world case. This study was conducted as a single case study in cooperation with one case company. A case study is a favourable research method when (1) the main research questions are "how" or "why" questions, (2) there is little or no control over behavioural events, and (3) the focus of the study is a contemporary (as opposed to entirely historical) phenomenon - a "case." Case study was selected as a research method in this study because there isn't much evidence on how sustainability can be taken into account in coffee and bakery business and case study gives the possibility to research how one real life company has thought sustainable aspects of their business. (Yin, 2018, pp. 7, 32-45) It is possible to collect different types of data in case studies. Data for this case study was collected through interviews with the case company and using the webpage of the company as an information source. Sample sizes in case studies are normally small but case study gives the opportunity to apply the principles and lessons learned in the case to other situations as well. The sample size in this study was one. (Schoch 2020, pp. 246, 249)

This study followed the case study methodological path by starting out with reviewing literature and defining research questions (Yin, 2018, pp. 7, 32-45). Literature review was done by searching articles with a timeframe for the last ten years and with following search words;

• sustainability AND "business model"

• "sustainable business model"

• sustainability AND hospitality

• sustainability OR environment AND café OR bakery OR "coffee shop"

• "food sector" AND innovation OR sustainability OR "open innovation"

• "business model" AND bakery OR café OR "coffee shop"

The research questions were formed following qualitative research design and the process started by considering what kind of research questions would best explain, explore, describe, and understand the substance of what case the study is researching. Moreover, this

study used broad research questions that were directed to the case as a whole. (Schoch 2020, pp. 249-250).

The case in this study is defined by the case company and the subject researched (Schoch 2020, pp. 246-247). The case company selection started by contacting companies in Southwest Finland. The selected case company was interested to contribute to the study and was selected as a case company. The case company is a Finnish, family-owned coffee shop chain, Naantalin aurinkoinen, which is founded in 1989. Their business idea is serving self-produced, high quality products in their own coffee shops. The family company was founded on 1989 and was purchased by another entrepreneur family in 2011. Being a family-owned company is an important value for the company and they hope to pass the business along to next generations. Other key values are development-friendly mindset, being trendy, and valuing customer voices. (Naantalin aurinkoinen n.d.) In 2019 the company's turnover was 4,6 million euros and it had 55 employees (Asiakastieto n.d.). The case company took part to the study by participating in the interviews. The case in this study is to explore sustainability and innovativeness in the selected case company, Naantalin aurinkoinen (Schoch 2020, p. 246-247). After literature review, case company selection, and forming the research questions, the study followed the phases of a case study with collecting data, analysing data, and reporting results. (Yin, 2018, pp. 7, 32-45)

4.2   Data Collection and Selection

While doing the literature review and forming research questions, first interview with the case company (the CEO) was made via Teams to present the study idea to the CEO and to get an idea what is going on at the field and to better form relevant research questions (Yin, 2018, pp. 32-45). It was decided that the company takes apart to the interviews. Qualitative approach with interviews was selected as there wasn't much evidence on the subject beforehand and gives the opportunity to research the subject in an open way. This study used semi-structured interview where an interview guide with same questions to all participants was formed beforehand. The questions can be traced back to the theory section. Semi-structured questions offer a freedom to ask further questions and follow-up on issues asked. (Mligo 2016) For the primary interview, an interview guide (Appendix 1) was built based on the theory section and research questions. 30 questions were drawn from the literature to research sustainability within the themes: sustainable value proposition, responsible customers, sustainable customer relations, sustainable channels, sustain-

able value creation, sustainable partners, measuring, reporting and marketing, innovation, and costs.

4.3 Data

The data was gathered through interviews with the company management and administration with 5 people. The people interviewed were the owners of the company, a management assistant, a coffee shop manager, and a kitchen manager. The people interviewed had worked in the company from 1 year to 18 years. The interviews were done individually with each of the interviewee on Teams. Interviews were recorded with the permission of the interviewees and there was a total of 224 minutes of interview recordings. The recorded interviews were first written open to a word document. Next, the answers were read through multiple times to get a good understanding of the data. Next, an empty business model canvas was filled out based on the answers. The remaining data was gategorised under the same themes that guided the interviews. Lastly, relevant categories were formed based on the data to describe the main areas of sustainability in the coffee shop sector. (Schoch 2020, p. 252)

5 RESULTS

The results are divided into three parts. The first part presents the business model canvas formed for the case company, the second part presents the sustainable aspects of the business model, and the third part innovativeness in the case company.

5.1 The Business Model Canvas

Based on the data gathered in the interviews, business model canvas (Figure 6) was filled out for the case company.
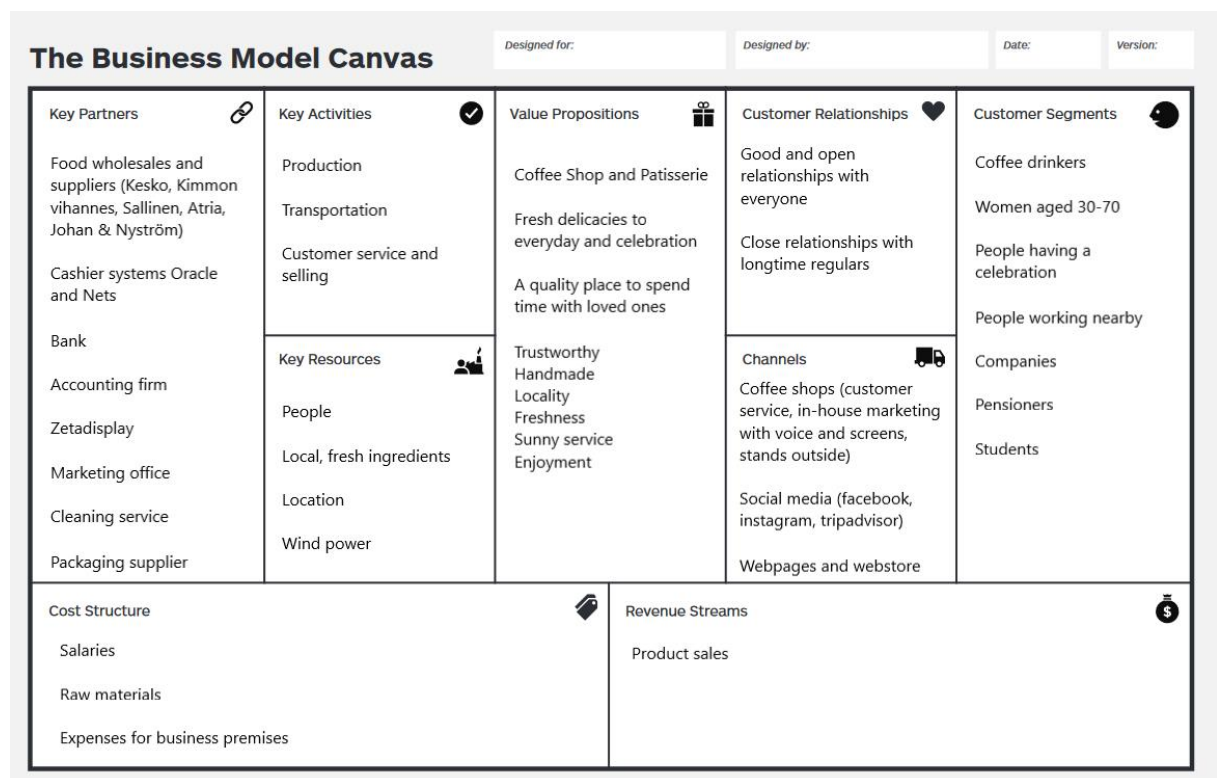
Figure 6. Business Model Canvas for the Case Company

Value Proposition

The company creates value by offering fresh, local, and quality food in a comfortable atmosphere. An important part of the value offering is their happy and sunny customer service. Other values that came up in the interviews were being trustworthy, having handmade products, being local, having fresh products, and offering enjoyment to customers.

Customer Segments

A coffee shop business was seen to be able to potentially reach any customer in need for a coffee or food. Main customer groups focused on women in different ages mainly from 30

to 70 years old, people getting products for work or for celebration, people who are living in the area or working nearby and coming for lunch or getting a coffee, pensioners, and students.

Customer Relationships

The company values close and open relationships with its customers. The 32-year-old company has long relationships with some regulars and the coffee shop workers can remember some customers and exchange greetings when they meet each other. Relationships are being evaluated and improved through questionnaires and by striking up conversations in coffee shops and asking customers' opinions. Customer feedback is taken into consideration.

Channels

The company has three main channels to reach their customers: the coffee shops, social media, and their own webpage. Cashiers can communicate with their customers in person in the coffee shops. The company also uses in-house marketing by having screens in the coffee shops and in-house radio with their own marketing content. Moreover, stands outside the coffee shops can help to reach new customers. Social media marketing is focusing on being active in Facebook and Instagram. In addition, webpages such as TripAdvisor is helping to spread the information about the company. The company has also its own webpages and webstore where it is possible to find information of the company and its products, and preorder products.

Key Partners

The company has many partners in different industries. Starting from the food wholesales and suppliers that cover smaller and bigger companies. For a coffee shop the cashier systems are important and therefore also their partners Oracle and Nets that provide the cash registers and payment terminals. Other important partners are bank, accounting firm, cleaning service, and packaging supplier. The marketing office is helping e.g. with the in-house marketing and Zetadisplay is suppling solutions to the screens used in the in-house marketing.

Key Activities

Key activities focus on three key points: production, transportation, and service and selling. The company is producing all of its cakes, lunch, and deli products such as filled sandwiches itself. The production is done in two locations, in two nearby towns Naantali and Raisio in Southwest of Finland. Naantali has a bakery and patisserie and it is producing sweet and savory bakery products, and all the cakes. Raisio is producing all the bread, lunch, and deli products. The finished products are then transported into all coffee shops 1-3 times a day. The transportation is done with own drivers. The third important phase of the activities is the service and selling products in the coffee shops.

Key Resources

The biggest resource for the company is the people working in all locations. All employees are employed by the house and employment relationships are supported e.g. through supporting employee education. One of the company's main value is offering as much local and fresh ingredients as possible and therefore it is always important to have this resource available. The company has researched what types of locations are convenient for possible customers and have aimed to have coffee shops in places that cross with main people flows. The company has invested in wind power to be able to function more sustainably.

Cost Structure

The main costs consist of salaries, raw materials, and expenses for business premises.

Revenue Streams

The company have one revenue stream and it contains all the product sales.

5.2   The Sustainable Aspects of the Business Model

Responsible Customers

Customers' sustainability can be supported in coffee shops by reducing the use of single use products by offering sugar, honey, and butter in big bowls instead of singe packages. Furthermore, having certain single-use products such as paper cups behind the desk and only give them out when requested reduces the use without an actual need. In addition, some customers take a lot more napkins what they need, and some customers mix the

spoons with different food containers in the lunch table causing possible problems for people with allergies. There is a possibility to guide these customers to act more sustainably. Taking a whole system approach was seen as important. If the whole company acts sustainably itself e.g. operating with sustainable energy, having sustainable packaging materials, recycling, and having quality raw materials in production, the customer experience is going to be much more sustainable despite what choices the customer does in the coffee shop versus in a coffee shop that doesn't have a sustainable whole system approach.

It was seen that young customers and students could help the company to reach their sustainability goals. Younger customers were seen as more aware of sustainable issues and also a customer group that already requires and asks more sustainable options. In addition, children as future customers, environmentally focused groups, and hipsters were mentioned as possible target customers. Social media influencers were also mentioned for possible future co-operation to reach more younger customers.

Sustainable Customer Relation

An app and loyalty program that is tailored for certain customer groups were seen as possibilities to make the current relationships more sustainable. The app is in planning phase already. Also increased marketing in social media was mentioned as well as direct marketing to individuals. Furthermore, being trustworthy and offering as good customer service as possible were seen as ways to make the customer relationships more lasting.

Sustainable Channels

The company is using both social media and their webpages to market their sustainability. Both text and videos are used. The marketing focus is in local, raw materials that are used in the production. Moreover, making products themselves and not using ready-made food products or frozen products were mentioned. The sustainable coffee the company buys from Johan & Nyström that supports the coffee farmers and nature is used in marketing as well. The use of Finnish meat is mentioned and that the meat is always Finnish unless told otherwise. The packaging material is told to be made from recycled materials. Mentioning of the use of wind power is coming to the webpage.

It was seen that the company could best communicate the sustainable aspect of their products and service by bringing more sustainable aspects to social media and in-house marketing. It was seen that if more consistent approach was taken with new sustainable prod-

ucts such as vegetarian and vegan options, they would have better chance in succeeding. Sustainability could also be used in google search optimisation. It was furthermore suggested that the company could be more involved in charity and mention that all employees are hired by the company and no rental company is used. If the company starts using ResQ, it could be mentioned.

Sustainable Value Creation

When considering the buildings where the company operates, wastage is monitored and optimised, wind energy is used, and water use is efficient and only water going to waste is dishing water. The company has taken efficient use of energy into account, but it was seen that there was still room for improvement. Heat recovery could possibly be used more but the buildings where the company operates are rather old. When thinking the operations more closely, the company has tried to reduce plastic waste. They are using recycled plastic in packaging but looking for even better solutions. There is a charge for the plastic bag in coffee shops to reduce its use. Using paper bags/packaging only is causing a challenge since they won't hold all products. The company has no straws policy to reduce waste. Employees are trying not to use excess materials e.g. by not using excess water and shutting off electronic appliances for the weekends. There is some need for more guidelines on how to act sustainably. For example, interviews brought up that paper waste could be reduced and e.g. printing could have more clear guidelines on what actually needs to be printed out. For example, if the document is available electronically, does it need to be printed? In-house electronic system for orders is coming for the coffee shops to enable ordering products from the production without paper forms. However, it might be that the bakery needs to print the order out when they receive it.

When it comes to food, the aim is to use as much as local and fresh products as possible and to do products themselves. Raw materials are aimed to select in a way that don't use natural resources too much, e.g. palm oil is not used. However, it was mentioned that the sugar used is white and bleached. The most urgent waste comes from food waste. Some of the food not sold can be used in the lunch table the next day, some food is donated to charity, but rest of the food waste goes to waste. Offering only fresh products, raises the challenge to sell them fast. For example, lunch table that has salad can only be used that day, same goes for soup lunch. Some of the food is recycled such as bread that is further

made into croutons. The company has considered to start using ResQ Club app where they could sell the food at a discount that was not sold that day.

The company has talked about the possibility to have all production in Raisio in the future. It would help to minimise for example energy use and the drivers would need to pick up products only from one place. Moreover, sometimes employees need to move from location to another during the day if there is shortage on staff. At the time being, the coffee shops have rather large selection and the drivers drive 2-3 rounds every day. Coffee shops might keep only 1-2 items of certain product on shelf to minimise the risk of it going to waste. But if someone buys everything in the morning, they need to think whether they ask the drivers to bring more. There has been discussion whether the coffee shops could make some products themselves to reduce the need to drive around so much and to take some pressure off from the production. The change would need however investments such as ovens to bake raw products and it might bring even more food waste if they start making e.g. salads themselves.

To the question what enabling technologies could be used it was seen important to do the right thing at the right time. It was seen possible to utilise automation in the future more. The customers come when they come, and it can't be perfectly predicted which causes some challenges e.g. in the delivery. The production appliances are rather old, and the energy consumption is not tracked.

Circular economy solutions used at the time being can be seen in packaging that is made from recycled materials. The bakery and kitchen try to use everything so there wouldn't be waste e.g. from edges that come from when cake is cut into shape. There is room for improvement, but it requires more time for production. Bread that is not sold is made into croutons. ResQ app is seen as a way to solve some challenges with the food waste.

Sustainable Partners

Possible future partners in becoming more sustainable would be small suppliers and organic farms nearby. At the time being the company uses more local products during summer when they are better available. Meat and fish could be bought from smaller suppliers but sometimes they might not be able to supply as much as it is needed. ResQ app was seen as one possible future partner. To make sure the company uses sustainable partners,

it was seen possible to request certain criteria from companies they work together with e.g. where they pay their taxes.

Measuring, Reporting & Marketing

The company doesn't have a sustainability strategy. However, they have equality rules and early intervention model to support work ability. There is a lot of data of the business available e.g. from purchasing and it could be possible to develop sustainability goals based on the information. The company isn't measuring sustainability efforts at the time being. There are some goals that have been met already when it comes to sustainability. Recycling is working and the company is using recycled materials in packaging. Moreover, they have made the switch to ecological coffee. Sustainability efforts are not being reported publicly at the time being.

Costs

It was seen that in the long run running a business sustainably will result in winnings. Some sustainable practices were not seen expensive such as recycling, but new ways of working might need some time to get used to. Moreover, changing to wind energy was not much more expensive than the previous energy used. On the other hand, the ecological coffee was seen more expensive than the previous non-ecological coffee. Sustainability and costs were evaluated through what the return expectation is and how to optimally use it. Also, it was seen that the company offers quality products and isn't the cheapest in their business area, and therefore the investment into sustainability should be done to keep the quality high. It was seen that the customers that value the quality of products is ready to pay a higher price. Lastly, it was seen valuable if an employee thinks the company works sustainably and it is proud of it.

Thinking whether customers are willing to pay a higher price for a sustainable product it feels like younger customers are ready to pay a higher price for quality products, but older people don't always understand why the price is higher. People coming maybe several times a day for coffee don't want to pay a higher price. Highlighting that a product is Finnish seems to increase sales. Furthermore, if the quality is known to be good e.g. the coffee shops' luxus salads, it is bought even though it is more expensive than what might be available elsewhere. The change to more expensive sustainable coffee required educating some customers that didn't understand why the price was suddenly higher. This re-

quires the education of the employees also for them to be able to tell about the product and its sustainable aspects. The company has also had campaigns where x amount of the price is donated to charity. Some new products branded as healthier or vegan haven't been selling as much as wished. However, they were took down rather fast and maybe might need more persistent approach for customers to find them.

5.3   Innovativeness in the Case Company

The company doesn't have an innovation strategy. However, they have a product development strategy, a roadmap where would be good to have new coffee shops location vice, and an idea what kind of employees they want to recruit (in terms of education, interest in development). The company haven't bought or sold knowledge regarding sustainability.

The company was seen as rather traditional and even old-fashioned in some aspects, but also development was seen. New products are developed all the time in addition to the appearance of the coffee shops and layout. For example, the cakes were redesigned a few years ago and the deli desk was improved. Moreover, new locations are kept on eye continually. It was seen that the company is in a changing point and changes take time. Innovative thinking was seen more related to new products rather than sustainable possibilities. It was thought that e.g. more ecological packaging is needed. Innovation wasn't seen as a strength of the company, even though it was seen that managers have the right attitude and cheer their employees to innovate. The company is supporting staff e.g. with stipends to study more.

Changing customer needs are considered by following trends and trying products that are "in". The company has e.g. developed vegan products, but it feels like their customer base don't seem so interested on vegan options. The company is monitoring sales figures for each product and products need to sell at a certain level. The company's different coffee shops have slightly different customer groups and it has been thought about if different coffee shops would have different products available to serve the customers best in that area. For example, the coffee shop near the university is selling more vegetarian options and could develop that further. The customer is important and there is flexibility to hear customer needs and take special wishes into account. There have been some questionnaires done to hear what the customers want. Moreover, customer service is advised to ask customer opinions and social media enables discussion with customers online.

Competitors are being followed by visiting other coffee shops, participating in trade fairs, and traveling in the world. Internet is also used to follow competitors by browsing Instagram, TripAdvisor, and competitors webpages. Employees are encouraged to be innovative by educating management how to encourage employees, encouraging everyone taking apart to product development, thanking for a job well done, and discussing development possibilities on all levels of the company. Employees are encouraged to do their job in their own way and suggestions are usually considered. Sometimes it might take some time before new suggestions are heard and there could be even more effort put into this area. Sometimes new ideas come up while talking to people about something else than work and it was seen important to ask regularly how employees are doing.

Future Possibilities

The company practices are guided by conscience. There could be more to be done when it comes to sustainability, but it has been hard to decide where to start. It was suggested that all new employees would be educated how to act sustainably while working. Moreover, some employees are more interested into the sustainability possibilities than others and it might be a good idea to gather a group within the company that is interested to develop sustainable practices further. Lastly, finding a solution how individual coffee shops could make more products available if necessary during the day, would reduce the need to deliver them separately.

6   DISCUSSION

6.1   Reflections on the Results

This study showed that business model canvas is a useful tool in the coffee shop sector to map out the key elements of a business and build more sustainable business model. The business model helped to reveal all the activities and stakeholders the company is in touch with. After the business model mapping it was easier to start reflecting sustainable possibilities in each part of the company's operations.

The Current Level of the Case Company's Sustainability

Sustainable Value Proposition

The company had a clear value proposition on what they offer for customers. Their value creation focused on offering quality both when it comes to products and customer service. The company values being trustworthy and having local products that can be connected to sustainable values. Sustainability as a whole was not in the company values. It is suggested to consider sustainability from the beginning to make the most of sustainability and be more innovative (Gerlach n.d.). Sustainability could be raised as one of the company values and start reflecting decisions on sustainability as well as quality. Moreover, the company webpages don't have values and vision written, even though there is a lot of information how the company operates and what is important to them (Naantalin aurinkoinen n.d.). Having company values on the webpage would deliver the core of the business easily and effectively for customers and stakeholders outside the company.

Responsible Customers

The interviews identified many customer segments. The company has a good customer base with its regulars, but also a wish to get younger customers. The theory suggests having clear customer segments who are targeted by segments (Osterwalder & Pigneur 2010, 26-47). The results focused on the need to get more younger customers. If younger customers are the customer group the case company would like to have, the value proposition should serve them. It was discussed in the interviews that the company has tried e.g. vegan products, but they haven't sold that well and the products has been taken down from the selection rather fast. It could be possible to launch a new product/product line with e.g. the suggested vegan/vegetarian focus and collect feedback from customers. Maybe have a tasting in the coffee shops and modify the products based on the feedback. This way the

company could get attention to the new products and have products that the customers want.

It came up in the interviews that older people might not understand why the price is higher e.g. for the sustainable coffee. Moreover, the older customer base might not be as interested in the new vegan/vegetarian products. A coffee shop with a sustainable focus has a chance to educate its customers on sustainability (Higgins-Desbiolles et.al. 2014). Having e.g. tasting on the new products in the coffee shops and telling why this product is created, could encourage the older customers to try them and get interested.

Sustainable Customer Relation

The company describes it has good and open relationships with its customers and close relation to old-time regulars. The company should make clear what kind of relationships it wants to have with each customer segment (Osterwalder & Pigneur 2010, 26-47). The company would like to have younger customers. An app might help to develop a customer relationship with younger customers especially if there are features that suite their needs. The results revealed that younger people are more interested in sustainability features. Improving the company sustainability and talking about it can help to make the company more interested in the eyes of the younger customers. For example, telling openly on the sustainable sides of the company, offering promotion for using a reusable cup for take-away, and making the menu fitted for this customer group could be possible actions. Moreover, incorporating sustainability into the app and making it possible for the customers to co-create the company by giving feedback/new ideas button in the app could help to build the relationships.

Sustainable Channels

The company has three main channels: coffee shops, social media, and company webpages and webstore. The channels are varied but there is still a possibility to develop into partnering with local businesses (Osterwalder & Pigneur 2010, 26-47, Rahardjo et al. 2019). Thinking further the desire to get younger customers, partnering with a company that already has contacts with younger people might be beneficial. The co-operation could be e.g. with places where students go often like universities, companies such as bookstores near universities, or national discount app Frank that offers deals for students.

The sustainability could be further deepened by partnering with a local sustainable company e.g. flea markets.

Sustainable Value Creation

The most important activities of the company are production, transportation, and customer service and selling. The question from the sustainable business model point of view is how these activities can be performed to ensure sustainability (Gerlach n.d).

When it comes to the company production, the data show that the company is producing all of its products themselves which gives the opportunity for the company to impact on everything. The company aims to operate in a way that doesn't use unnecessary resources or create waste in vain. However, the findings suggested that there were some things to develop further. The amount of food waste was mentioned in the interviews. There might be room for targets in this area. For example, the production could make a goal to have no food waste in production and come up with ways where there is nothing going unused in production. One possibility could be changing the lunch list to include one dish each day that is made from the ingredients that was left from the day before. Modification from total no menu policy (Higgins-Desbiolles et.al. 2014) might work if it is marketed right and the reduction of food waste is brought up. Also, coming back to the aim to get more young customers, having a vegetarian option available each day might help to get this customer group coming in more long-term. Moreover, vegetarian options on the menu is seen to promote environmental values (Higgins-Desbiolles et.al. 2014). When it comes to packaging, the company is still in a search for more sustainable packaging options. The packaging used is made from recycled plastic, but plastic free option would be even better option from sustainable point of view and would also fit better the company image if the company takes more systematic sustainable approach. It could be also possible to offer a discount for coffee if the customer has their own reusable cup and uses it. In addition, the data suggest that paper use could be developed further. The company could make guidelines on how to reduce paper waste and what needs to be printed out and what doesn't.

From the transportation point of view the company has ensured to offer fresh products as they transport the products one to three times a day to each coffee shop. The type of transportation cars was not included in the interview questions but transporting products with sustainable car choices would fit the sustainable model and could be used in marketing as well. The company has a dilemma between offering vast selection of fresh products in all

coffee shops, transportation many times a day, and having some food over that is not sold. The transportation frequency came up many times in the interviews and could offer a possibility to try and minimise the transport. Reducing the transport to two times a day would need changes in production, but at the same time would reduce the need for transport and kilometers driven. Another step could be to reduce the selection in the coffee shops and rather than offering all the products, offer products what the customer group in that area buys. Of course, this raises the risk of customers being unhappy if they don't get their favorite product in every coffee shop.

The interviews relieved that some customers don't always act mindfully in the coffee shops and e.g. take way too much napkins they need, and they end up in the waste. Small nudging could be used to encourage more sustainable behavior such as having small stickers where the napkins are suggesting to take only one etc. The possible change can be monitored by following whether the amount napkins ordered is changing.

The case company had three key activities. Marketing and training are also seen as key activities to the coffee shop sector (Rahardjo et al. 2019) and the company could consider adding marketing and training into their key activities and invest in them also from sustainable point of view.

Sustainable Partners

The results emphasised many key partners for the company. Food wholesales and suppliers, cashier systems, bank, accounting firm, Zetadisplay, marketing office, cleaning service, and packaging supplier were mentioned as key partners. Sustainability is not required from partners with certain criteria at the time being. This could be considered in some terms. For example, if the case company would make a sustainable strategy for themselves, they could require certain sustainable actions from partners as well. Another possibility when it comes to partnerships would be form strategic partnerships with other companies (Osterwalder & Pigneur 2010, 26-47). For example, it was mentioned in the interviews that it is challenging to buy from small food suppliers because they might not be able to offer the amount requested. Partnering with smaller suppliers and with other companies in need of the same ingredients, securing the purchase for the small supplier in long-term, could make it possible for smaller suppliers to grow and be able to supply the amounts needed. This would enhance partnerships with the companies nearby and reduce the need for transporting ingredients from distance.

Measuring, Reporting & Marketing

It is said that to actually incorporate sustainability into the company, it should be part of the company core values (Higgins-Desbiolles et.al. 2014). The company could consider adding sustainability into the company core values and make a sustainability strategy with targets that fit their budget (Leonidou et. al. 2013). Possible targets could be changing the packaging materials into more sustainable options from the current plastic packaging, raising the level of recycling to 100%, making energy efficiency a priority when purchasing new appliances, having optimal temperature (lowest possible) and baking time (shortest possible) with baked goods. Moreover, if the company decides to work together with the ResQ app, they could count how much food waste they are able to reduce with cooperation with the app. These improvements can be further reported in a sustainable report/plan.

The next step would be bringing all employees aware of the sustainability values. Business models are ultimately made to create value, therefore it is important to select fitting measurements to measure development (Evans et. al. 2017). A part of sustainability is openness of the company practices. Making a quality sustainable strategy and reporting it openly can also bring positive publicity to the company. (Svensson & Wagner 2015)

Innovation

The company didn't have an innovation strategy but is keen on developing new products at all times which is a traditional way to innovate for the food sector (Baregheh et al. 2012). Moreover, employees are encouraged to try new things and keep an eye what happens in the market. The company is aiming to reach younger customers. As mentioned in the literature review positioning innovations are not that usual for the food industry even though they might offer advantages. Companies are not ready to invest in marketing, even though it is needed to reach the new customer group. (Baregheh et al. 2012) Open innovation is being used in developing sustainability. This could be implemented in the company e.g. by involving the customers into development. The webpages and the app that is coming could have a feature where customers can easily give feedback, or the company can even ask how we could improve our sustainability. The open innovation possibilities are vast. Other options for the company could be co-creation with partners and companies in other industries and buying external knowledge for issues that are challenging to solve inside the house. (Ramírez-Portilla et al. 2016)

Business model can help to map out sustainable possibilities for the company. SBM goes through the main building blocks of the company and in addition encompass economic, environmental, and social aspects of the business, and therefore it is possible to get a good picture of the company as a whole by looking at the filled business model. It is possible to truly enhance sustainability when it is incorporated in all aspects of the business. (Evans et. al 2017, CASE 2018)

Jørgensen and Pedersen (2018) suggest to start building a SBM by looking on the positive and negative externalities of the company and evaluate where one is casting shadows and where shedding light. For the case company, the externalities based on the results could look as described in Figure 7.

Positive externalities

Recycled materials used

Supporting employees

Wind Power

Local ingredients

Vegetarian and vegan options

Negative externalities

Plastic packaging

Transporting only few items at a time

Importing raw materials from distance

Having unhealthy options on menu (e.g. white sugar)
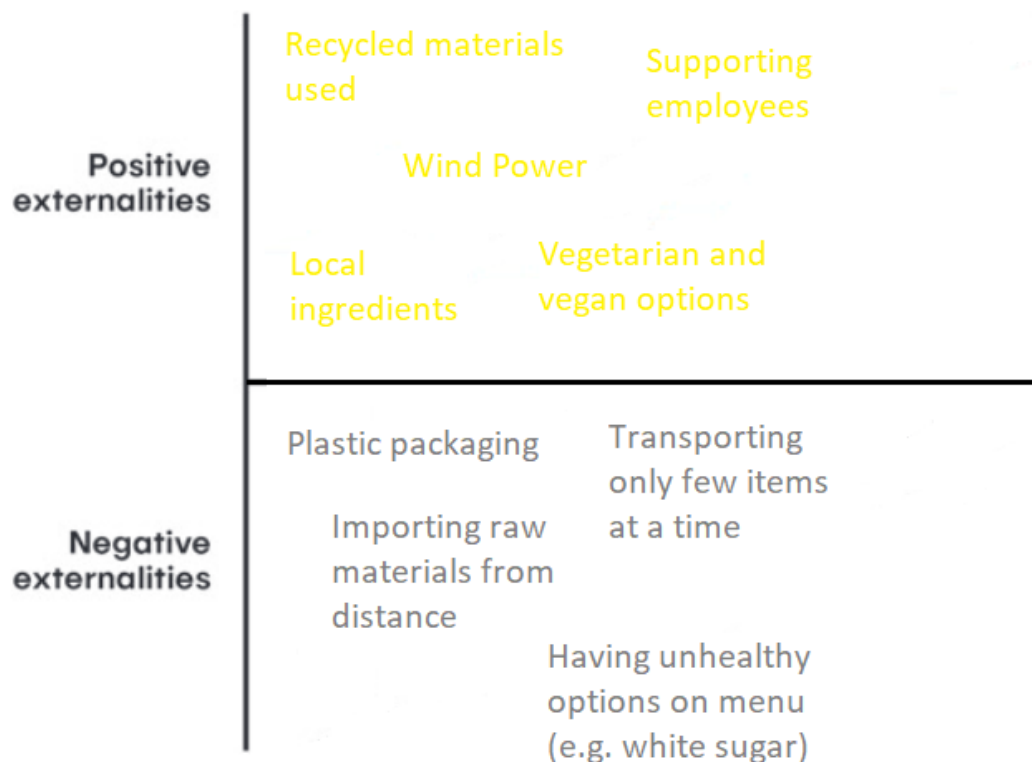
Figure 7. Positive and Negative Externalities for the Case Company

Writing positive and negative externalities open can help to put focus on what the company is doing good and where they could improve. It can be used as an inspiration to make goals for the future e.g. the company might decide to make a goal to replace the plastic packaging to more sustainable options within a realistic timeline, or reduce the use of white sugar by x per cent. Since business models are used to create more value, it is good

to plan how the change is going to be measured (Evans et. al. 2017) and reported (Svensson & Wagner 2015).

Costs

The main costs for the company consisted of salaries, raw materials, and expenses for the business premises. Thinking costs from the sustainable point of view the company could consider whether there are more sustainable options e.g. for the raw materials or resources needed for the operations. Making changes and evaluating the results and their sustainability needs courage to try new things in reality. Jørgensen and Pedersen (2018) advice in their roadmap to restart to first redesign the current business model or the way of operating and secondly, experiment the change with an experimental mindset and see what works and what doesn't. Moreover, thinking of the social side of sustainability and supporting employees and keeping them in the house for a long time, offering a fair salary can help to keep employees longer and increase the value how they see the company.

Revenue

Revenue streams in the company consists of the products sales. The company might consider aiming for more revenue streams (Osterwalder & Pigneur 2010) such as also selling coffee beans, reusable cups, or e.g. offer some sort of monthly subscription in the coming app.

Innovation Practices and Sustainability

The food sector is known for being more focused on incremental innovation than radical innovation and often put the focus on product and process innovation (Baregheh et al. 2012). The method of targeting the biggest market share in the coffee sector in Finland has been in the recent years by focusing on expanding the coffee shop network and having shops densely in locations where are increasing people flows (Helsingin Sanomat 2018). Quantity is a strength, but a smart business model can overcome the market leader (Christensen et al. 2015).

One basic way to encourage innovation at a workplace is to build a workforce that is diverse (Fagerberg 2005, p. 10). Diversity can come in a form of education, work experience, nationality, different cultural backgrounds, personas, and so forth. The second important factor is to encourage to innovate and reserve time for the employees to try new

things. Ways of organising this could be having a get together e.g. once a week or a month with a diverse group of employees from the company and discuss are there some issues and how they could be resolved. It is important to create an atmosphere where everyone has the possibility and courage to speak their mind freely. This might need some training before the right atmosphere is gained. Other possibility for example in production is to allow x amount of time per month to test and develop new products or processes of doing things. If innovation is wanted to be in relation to sustainability, education on sustainability for employees can help to get new ideas and put own actions into bigger picture. The case company could establish a simple innovation strategy where they reserve time for development, make a protocol that each suggestion is answered by the management within x days, and value diversity while hiring. This would give innovation more room to flourish and could be used in marketing in terms of being innovative and supporting diversity.

Moreover, the food sector is criticised for not working together with other companies and develop practices and processes further together (Baregheh et al. 2012). Companies can get new, and fresh ideas by working together with stakeholders outside their company. The process can be started out by thinking what the most urgent issues or obstacles at the moment are and think which partners could help to solve them. The food waste was one of the issues the company is dealing with. ResQ app would be probably the best solution to be able to sell more products. The company could in addition think a protocol where the food goes that doesn't get sold at all. Could it be donated somewhere on a weekly basis? Moreover, improving the production in a way that there doesn't come any waste the company could achieve zero food waste goal and, in addition, do good in the community by donating the rest of the food somewhere where there is a need.

Another challenge for the company was transportation and driving many times a day. Reorganising the production in a way that the products can be delivered twice a day could be possible. Moreover, if the company needs to do additional deliveries later the day, they could find out whether there is another company in a similar situation in the area and try to co-operate with them and make the most of the drives. This could also bring financial benefits for the company. Big part of the sustainability is to reduce carbon emissions (Svensson & Wagner 2015), therefore the selection of car types is also important and should be considered when purchasing new vehicles. Targets for the company in this area could be reducing kilometers driven, co-operating with others, driving with fuller cars, and reducing carbon footprint of the company.

The case company is struggling to get younger customers, and in addition to improving products and marketing to suit them better, the company could think additional, more innovative ways to reach them. The wanted target group is involving a lot of students, and results showed that students do use the coffee shop close to university. The company could consider trying to expand into the university and get a coffee shop counter in the university. This could help to make the company better known among younger people.

Main Areas of Sustainability in the Coffee Sector

The results suggest that coffee shop sector is interested in sustainability and have made changes towards more sustainable way of operating but there is still room for improvement. Moreover, this study supports the theory that the business model canvas and sustainable business model can be used as a tool to understand the business and the environment where the company operates and start planning wholesome sustainable changes based on that (Evans et. al 2017, CASE 2018, Osterwalder & Pigneur 2010, 11-21) For the researcher, the business model helped to understand what was the main focus and value creation process of the company at the time being, and after that start reflecting how sustainability could be increased and in what aspects of the business model based on the theory section.

The previous research shows that companies have been rather slow to create SBMs (Koistinen et. al. 2018, 106-107). This study is supporting the same evidence as the case company had not made a SBM before. This chapter is focusing on the main areas of sustainability the company could consider to improve sustainability in the coffee sector based on the theory and results of this study.

→ 1st – Take Time for Sustainability and Put it Into Strategic Decision Making

When starting to implement or improve company sustainability, there shouldn't be too much pressure on which sustainability framework to follow and what concepts to use, but rather focus on starting to make improvements for the better in the first place (Moratis et. al. 2018). Little changes or innovations can in time turn into radical ones (Fagerberg 2005, pp.1-8). Probably the first thing to do when wanting to improve sustainability is to make room for it. Management decisions form the base of sustainability (Higgins-Desbiolles et.al. 2014) and therefore it is important that management is aware of environmental issues and takes sustainability considerations into strategy and company values. Sustainabil-

ity should be considered in all business areas and put the sustainability into the core of the business (CASE 2018).

For the sustainable strategy to not stay only as written plan somewhere, it is advisable to set sustainable targets on what the company would like to reach in a certain timeline (Evans et. al. 2017). After first measurement targets have been set, they should be evaluated when the time has passed and see whether the targets were met and if not, what was the reason. Next step is to set new targets and improve if there is something in the process that is not working. Using a business model is one option to improve sustainability and can be used by starting to sketch what is the situation at the time being (business model) and where the company would like to see themselves in the future (SMB).

→ *2nd – Engage All Employees to Sustainability*

Sustainability in company values and strategy doesn't alone make the company operate sustainably. All stakeholders need to be involved to the vision. (Svensson & Wagner 2015) It's good to have employees from all levels and departments in the development phase to give them possibility to impact and at the same time offer a possibility to engage them into company values and sustainability vision. When employees have been part of the development, they can also spread the information in their own teams. I addition, educating all employees through policies, principles, norms, and values (Svensson & Wagner 2015) helps to spread the new strategy to the whole company.

→ *3rd – Co-operation with Sustainable Partners*

As SBMs aims to encompass economic, environmental, and social aspects while considering the needs of all stakeholders, not just shareholders' needs, and aligning the interests of all stakeholders (Evans et. al 2017, CASE 2018), it is important to map out the company stakeholders and evaluate how they fit to the sustainable business plan. Food wholesale and suppliers is a big partner group in the coffee shop sector. Possible criteria to evaluate and rank the sustainability in this area could be distances driven and transport emissions (Cummings 2009, Svensson & Wagner 2015). Moreover, companies can evaluate and rank the sustainability efforts of the partner, e.g. do they have a SBM or sustainability strategy in the first place and do they pay attention to factors that are important to the company itself.

→ 4th – Sustainable Business Processes

There are many factors in the coffee shop sector that can take sustainability into account such as the food offered, building/place for the coffee shop, energy and water use, heating, furniture, kitchen ware, processes chosen e.g. repair over buying new, minimisation of raw material waste and fossil fuels, and minimisation of chemicals. Sustainability considerations should expand into all areas, but changes and evaluation can be done one by one. The food offered in coffee shops form a big part of the sustainability of the business (Cummings 2009; Higgins-Desbiolles et.al. 2014; McColl 2016) and could be a good place to start. It has been discussed earlier in the discussion that transport distances can be used as one criterion for where to buy the ingredients. Other aspects that could be taken into account could be having vegetarian options on the menu at all times, supporting the customers selection of vegetarian options by having a same price range for them than for "traditional" options for example when it comes to plant based milk, sustainable choices can be made easier also by labeling products clearly with suitability for different diets (e.g. vegetarian, vegan).

Second example on sustainable processes could be considering the use of reusable dishes vs. plastic options while serving food. Having everything served in washable dishes and offering sugar, honey e.g. in big containers reduces plastic waste. Moreover, having same price for products that are consumed in the coffee shop and take-away doesn't encourage to buy products in plastic to consume elsewhere. One solution to reduce plastic would be to reduce it altogether in take-away (and in-house) products. This area offers possibilities to set clear targets for the company for improvement, e.g. no plastic in take away packaging or x% of plastic reduction in packaging.

→ 5 Step – Report Your Process

One part of sustainability is openness and therefore sustainability efforts and results should be reported openly (Svensson & Wagner 2015). This is for the customers to see if the company is fit for their sustainability requirements but also offers possibility for all companies to compare their operations against others and make improvements. There isn't one right way to do things and improvements can be endless. Some companies are even improving other companies' negative externalities on top of their own (Jørgensen and Pedersen 2018, 32-33).

6.2 Study Ethics and Trustworthiness

Ethics

This study was conducted with ethical principles on mind, reporting honestly, avoiding deception, and by taking responsibility of the study. Feedback was received throughout the process from the thesis advisor. The study was well planned before implementation, and the researcher got familiar with the research method in the beginning of the study. (Yin 2018, p. 125)

Ethical considerations were thought through the co-operation with the case company and during the interviews. All of the interviews were started out with information on what the interview is about and what topics are discussed. Everyone was asked for consent to report the positions of the people interviewed and how long the people interviewed had worked with the company. Interviewees were told that the results are reported in a way that individuals can't be recognised from the results part. Permission was asked from the company to publish the master's thesis as an open publication.

Trustworthiness

The study progress was written open in methods section and it is possible to follow how the study was planned and how it progressed. There was a trial interview with an outside person to test the preliminary interview questions. Some questions were hard to understand and were modified. After the actual interviews started, it was realised that there were a few questions that only needed to be asked once because the answers wouldn't change. There questions were;

- Have you got a sustainability strategy? If yes, what goals do you have for sustainability?

- Are you measuring your sustainability efforts? If yes, how?

- What goals have you already achieved in terms of responsibility?

- Are you reporting your sustainability efforts? If yes, how?

- Have you got an innovation strategy?

- Have you bought external services or knowledge regarding sustainability? If yes, what?

- Have you sold your expertise regarding sustainability to others? If yes, what?

To avoid repetition, these questions were not asked from everyone.

As the interview was semi-structured, further questions were asked based on the answers when it seemed that the interviewee had more information on the subject, and it was relevant for the study. After interviews, while writing the results, it was noticed that a few additional questions would be helpful for the study. The research questions didn't focus much on the cost and revenue structure of the firm because this study didn't focus on accounting related matters. However, it was understood during the study process that it would be good to have main cost and revenue structure to write it into the formed business model canvas. The company was contacted per email after the interviews and asked to answer two additional questions;

- What are your most significant costs?

- Which are your existing revenue sources?

These questions were answered per email and used in the business model canvas.

There were five interviews in total and five participants seems a good amount for qualitative interviews in a master's thesis for a rather small company. Participants were from varying parts of the management and administration which gave broader understanding of the company functions. However, when it comes to transferability, as the sample size for this study was only one, the same principles might not work everywhere and this needs to be considered when using the study as an example.

What comes to the language of the study, the writer is Finnish and has translated e.g. interview answers from Finnish to English which makes it possible that something has changed during the translation.

7   CONCLUSIONS

The purpose of this study was to describe sustainability and innovation possibilities in a coffee shop sector from the business model point of view. Based on this study, business models are not in active use in the coffee shop sector even though they might offer good possibilities to enhance the company operations.

Based on this study;

1. Using a business model canvas can help to identify the processes and stakeholders that are supporting and limiting sustainability in a company
2. Sustainable innovations in the coffee shop sector can be increased by building a diverse workforce, encouraging employees to innovate, reserving time to try new things, educating employees on innovation and sustainability, and working together with other companies
3. Sustainability in the coffee shop sector can be improved thorough five main areas;

   1st – Take Time for Sustainability and Put it Into Strategic Decision Making

   2nd – Engage All Employees to Sustainability

   3rd – Co-operate with Sustainable Partners

   4th – Sustainable Business Processes

   5th – Report Your Process

As the food sector is rather traditional and known for not using innovation actively in its all forms, there is room for more research how innovation could be implemented better in this business area. What comes to sustainability, there are still companies that haven't considered sustainability in their operations which suggests a need for more education and guidance on sustainability. Moreover, models for individual business areas (e.g. coffee shop sector) on what to consider when it comes to sustainability could help to get the process started.

The results of this study can be transferred into other situations as well. The information in detail e.g. when it comes to partners and key activities differ between companies but

following the same path of starting from a business model and building on SBM following the steps introduced in the discussion is probably possible for most businesses and will result in better sustainable practices.

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Interview Questions

Sustainable Value Proposition

1. What kind of service do you offer?

2. What problem do you solve in your customers' lives?

3. Which value do you create for your customers?

Responsible Customers

4. Who are your customers?

5. Do you come up with ideas on how you could promote customer sustainability while they are visiting you?

6. Which target customers could help you reach your sustainability goals?

Sustainable Customer Relation

7. What kind of relationship you have with your customers now?

8. How could you make current relationships more sustainable?

Sustainable Channels

9. How do you reach your customers now?

10. Are you using sustainability in your marketing strategy? If yes, how?

11. How can you best communicate the sustainable aspect of our product/service?

Sustainable Value Creation

12. Which are your key activities?

13. Think about the resources your business needs (energy, water, materials). Do you feel you are using resources in the most efficient way possible? If not, why not?

14. What sustainable enabling technologies could be used? (increasing production efficiency, generating energy, and reducing excess energy, minimizing variables)

15. Do you have or have you considered circular economy solutions in your operations such as reuse? If yes, what?

Sustainable Partners

16. Who are your most important partners?

17. Who are possible partners in becoming more sustainable?

Measuring, Reporting & Marketing

18. Have you got a sustainability strategy? If yes, what goals do you have for sustainability?

19. Are you measuring your sustainability efforts? If yes, how?

20. What goals have you already achieved in terms of responsibility?

21. Are you reporting your sustainability efforts? If yes, how?

Innovation

22. Would you consider yourself an innovative company? If so, what innovative measures have you used/done? (e.g. product, process, packaging, positioning)

23. Have you got an innovation strategy?

24. How are you taking in consideration the changing customer needs?

25. Do you follow what is happening in the market and what are your competitors doing? If so, how?

26. Are you encouraging your employees innovate? If yes, how?

27. Have you bought external services or knowledge regarding sustainability? If yes, what?

28. Have you sold your expertise regarding sustainability to others? If yes, what?

Costs

29. Does sustainability seem expensive / cheap to you? Why?

30. Have you researched whether customers are willing to pay a higher price for a responsible product?

Bonus

Does anything else come to mind when you think about your company and sustainability and its opportunities?

Interview Questions in Finnish

Palvelu- ja arvolupaus

1. Mitä palvelua tarjoat?

2. Minkä ongelman ratkaiset asiakkaidesi elämässä?

3. Mitä arvoa luot asiakkaidesi elämään?

Vastuulliset asiakkaat

4. Keitä ovat asiakkaasi? Asiakasryhmät?

5. Tuleeko mieleesi ideoita miten voisit edistää asiakkaiden vastuullisuutta heidän asioidessa toimipisteissänne?

6. Tuleeko mieleesi kohderyhmää joka voisi auttaa teitä saavuttamaan omia vastuullisuustavoitteitanne?

Kestävä asiakassuhde

7. Millainen suhde sinulla on nyt asiakkaidesi kanssa ja miten suhteet on luotu?

8. Kuinka voisit tehdä nykyisistä asiakassuhteista kestävämpiä?

Kestävät kanavat

9. Mitä kanavia pitkin saavutat asiakkaasi nyt?

10. Käytättekö vastuullisuutta markkinointistrategiassasi? Jos kyllä, miten?

11. Kuinka voisit parhaiten markkinoida tuotteenne ja palvelunne vastuullisesta näkökulmasta?

Kestävä arvonluonti

12. Mitkä ovat yrityksesi toiminnan kannalta tärkeimpiä toimintoja?

13. Ajattele resursseja, joita yrityksesi tarvitsee (energia, vesi, materiaalit). Koetteko käyttävänne resursseja tehokkaimmalla mahdollisella tavalla? Jos ei, miksi?

14. Mitä kestäviä mahdollistavia tekniikoita voitaisiin käyttää? (tuotannon tehostaminen, energian tuottaminen ja ylimääräisen energian vähentäminen, muuttujien minimoiminen)

15. Onko teillä käytössä tai oletteko harkinneet kiertotalousratkaisuja toiminnassanne, kuten uudelleenkäyttöä? Jos kyllä, mitä?

Kestävät kumppanit

16. Ketkä ovat tärkeimmät kumppaninne yritystoiminnan kannalta?

17. Ketkä olisivat mahdollisia tulevaisuuden kumppaneita vastuullisuuden parantamiseksi?

Mittaus, raportointi ja markkinointi

18. Onko teillä vastuullisuusstrategia? Jos kyllä, mitä tavoitteita teillä on vastuullisuuteen liittyen?

19. Mittaatteko teidän vastuullisuutta? Jos kyllä, miten?

20. Mitä tavoitteita olette jo saavuttaneet vastuullisuutta ajatellen?

21. Raportoitteko vastuullisuudesta julkisesti? Jos kyllä, miten?

Innovaatio

22. Pidätkö yritystäsi innovatiivisena? Jos pidät, mitä innovatiivisia toimenpiteitä olette käyttäneet/tehneet? (esim. tuote, prosessi, pakkaus, sijoittelu)

23. Onko teillä innovaatiostrategia?

24. Miten otatte huomioon asiakkaiden muuttuvat tarpeet?

25. Seuraatko markkinoilla tapahtuvia tapahtumia ja mitä kilpailijat tekevät? Jos kyllä, miten?

26. Kannustetaanko teillä työntekijöitä innovatiivisuuteen? Jos kyllä, miten?

27. Oletteko ostaneet ulkoisia palveluita tai tietoa kestävyydestä? Jos kyllä, mitä?

28. Oletteko myyneet vastuullista asiantuntemustasi muille? Jos kyllä, mitä?

Kulut

29. Vaikuttaako vastuullisuus kalliilta/ halvalta? Perustele.

30. Oletteko seuranneet ovatko asiakkaat valmiita maksamaan korkeampaa hintaa vastuullisesta tuotteesta?

Bonus

Tuleeko teille jotain muuta tulee mieleen kun mietitte yritystänne ja vastuullisuutta ja sen mahdollisuuksia?